

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5856-02  
Bill No.: Perfected SB 842  
Subject: Motor Fuel; Revenue Department  
Type: Original  
Date: April 15, 2014

---

Bill Summary: This proposal modifies the authority of the Director of the Department of Revenue to conduct diesel fuel inspections.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
*Motor Fuel Tax Fund	\$0	\$0	\$0
Highway Fund	(\$20,993)	(\$27,990)	(\$27,990)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$20,993)</b>	<b>(\$27,990)</b>	<b>(\$27,990)</b>

\* Savings and Losses will net to \$0

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Local Government</b>	<b>(\$7,775)</b>	<b>(\$9,330)</b>	<b>(\$9,330)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol** and the **Department of Agriculture** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Department of Revenue** assume this legislation prohibits the dyed diesel inspections on individuals unless there is reasonable suspicion that violations are being committed at a location other than those listed in the subsection (proposed subsection 2 of section 142.941).

Currently, dyed diesel inspections are performed by the Criminal Investigation Bureau and the Internal Revenue Service.

There were 43 violations of the dyed diesel statutes in 2013. The majority of these were found by conducting dyed diesel fuel inspections of individuals at various checkpoints in the state. Excise Tax issued 40 assessments based upon the violations found and collected \$37,320 in penalties & tax. This revenue was deposited into the motor fuel tax fund and distributed to MoDOT, cities, and counties in the state.

Elimination of the inspection of individuals through the use of checkpoints may reduce the number of assessments that Excise Tax would issue and the amount of revenue received.

Since the elimination of the dyed diesel fuel inspections at various checkpoints will reduce the number of violations found, for fiscal note purposes, **Oversight** will show a loss to the Highway Fund (75%), cities (15%) and counties (10%) based on the Department of Revenues FY 2013 revenue from the assessments conducted.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>*MOTOR FUEL TAX FUND</b>			
<u>Savings</u> - DOR	\$28,768	\$37,320	\$37,320
Reduction of penalties & tax from inspections transferred to the Highway Fund, Cities & Counties			
<u>Loss</u> - DOR	<u>(\$28,768)</u>	<u>(\$37,320)</u>	<u>(\$37,320)</u>
Reduction of penalties & tax from inspections			
<b>ESTIMATED NET EFFECT TO THE MOTOR FUEL TAX FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
* Savings and Losses will Net to \$0			
 <b>HIGHWAY FUND</b>			
<u>Loss in Transfer</u> - DOR	<u>(\$20,993)</u>	<u>(\$27,990)</u>	<u>(\$27,990)</u>
Loss in Transfer from the Motor Fuel Tax Fund - 75%			
<b>ESTIMATED NET EFFECT TO THE HIGHWAY FUND</b>	<b><u>(\$20,993)</u></b>	<b><u>(\$27,990)</u></b>	<b><u>(\$27,990)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Loss in Transfer - Cities</u> Loss in Transfer from the Motor Fuel Tax Fund - 15%	(\$4,665)	(\$5,598)	(\$5,598)
<u>Loss in Transfer - Counties</u> Loss in Transfer from the Motor Fuel Tax Fund - 10%	(\$3,110)	(\$3,732)	(\$3,732)
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>(\$7,775)</u></b>	<b><u>(\$9,330)</u></b>	<b><u>(\$9,330)</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

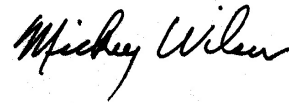
FISCAL DESCRIPTION

Currently, the Director of the Department of Revenue or his agents may conduct inspections and remove samples of diesel fuel to determine the coloration of the fuel. This act limits these types of inspections by banning inspections from any individual who is not holding the fuel for wholesale or retail sale and who is not located at certain places, unless the agent has reasonable suspicion to believe that a violation is being committed.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety  
Department of Agriculture  
Department of Revenue

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
April 15, 2014

Ross Strobe  
Assistant Director  
April 15, 2014